

5 percent than I am to the cliff, offer an amendment, if this is accepted, to then take the 5 percent back out. A much cleaner way, since I don't think either one of them are necessary, is to not return this for specific amendment and get on down the road.

PRESIDENT: Thank you. Senator Hannibal is next, followed by Senator Lynch, but may I introduce some guests of Senator Chizek in the north balcony. We have 75 fourth graders from Omaha, the Cather School, with the teacher. Would you students and teacher please stand. Thank you for visiting us today. Senator Hannibal, then Senator Lynch, please.

SENATOR HANNIBAL: Mr. President, I apologize for taking so much time of the body on Final Reading for this amendment. In fact, Senator Lynch did point out to me why are we doing this on Select and it is a very good point...on Final Reading and it is a very good point. We were trying...we had made some mention of the fact on this amendment on General File as to why we were changing 1105. We were trying to put some numbers together, myself, with the Fiscal Office, trying to get some numbers put together to draft a proper amendment, and the bill came and went on Select File so fast we didn't have a chance to put the amendments on Select File, or I would have. I am sorry we are doing this on Final Reading. However, it doesn't make the amendment any less valuable or any less appropriate. Senator Lynch made a point about property taxpayers or taxpayers paying this bill and not being the state or the city, county, and he is correct. We are talking about taxpayers. Let me point out to you, though, that we are talking about taxpayers paying this exemption already. It is not a matter of whether the taxpayers are paying it or not. It is a matter of which taxpayers are paying it. Right now, the state is spending over \$31 million each year in reimbursements back to local subdivisions of government for an exemption, a homestead exemption that we, as a state, did enact as law. That number is going to go up whether or not 1105 passes in its present form, in our proposed amended form, or not at all. That number is going to go up. Because of our existing law, we are no longer able to track incomes below \$10,100. Every income below \$10,400, according to the present form of the bill, will be getting 100 percent exemption. That exemption is going to be paid by the state. Who pays into the state? Not property taxpayers, income and sales taxpayers pay into the state. So it is income taxes and sales taxes that are paying for this property tax exemption right now. What this amendment is suggesting is that property taxes, property